

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

JANUARY 22, 2015

The McKinney Community Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, McKinney, Texas, on January 22, 2015 at 8:00 a.m.

Board members Present: Chair Scott Elliott, Vice Chair Kurt Kuehn, David Clarke, David Myers, Hamilton Doak, and Rick Glew (alternate).

Absent: Secretary/Treasurer Colleen Smith.

Staff Present: President Cindy Schneible; Director of Marketing Cayti Stein; Administrative Assistant Deb Hass; Interim City Manager Tom Muehlenbeck; Interim Assistant City Manager Barry Shelton; Assistant to the City Manager Darrek Ferrell; Director of Parks, Recreation, and Open Space Rhoda Savage; Assistant Director of Parks, Recreation, and Open Space Ryan Mullins; Facilities Construction Manager Patricia Jackson; and Chief Financial Officer Rodney Rhoades.

There were eighteen guests.

Chairman Elliott called the meeting to order at 8:00 a.m. after determining a quorum was present. Vice Chair Kuehn arrived at 8:01. Board alternate Glew was seated due to the absence of Secretary/Treasurer Smith.

15-063 Minutes of the McKinney Community Development Corporation Meeting of December 18, 2014. Board members unanimously approved the motion by Vice Chair Kuehn, seconded by Board member Clarke, to approve the Minutes of the McKinney Community Development Corporation Meeting of December 18, 2014.

15-076 November Financial Report.

15-077 December Financial Report. Chief Financial Officer Rhoades reported sales tax numbers are strong. Actual end of year sales tax numbers were stronger than projected. Mr. Rhoades reported expenditures are in line with budget.

15-078 Board and Liaison Updates

Chamber of Commerce – MCDC President Cindy Schneible gave the

Chamber report. Ms. Schneible reminded the Board of the Chamber of Commerce Community Awards Celebration to be held on January 30, 2015 at the Cotton Mill at 6:00 p.m. Ms. Schneible stated a number of awards will be presented including MCDC Quality of Life award. Collin County Days in Austin, TX are scheduled for March 2nd and March 3rd. Women's Alliance of McKinney will hold Nothing but Networking on February 12, 2015 at Eldorado Country Club, and the Young Professional networking event will be February 19, 2015. Ms. Schneible reminded the Board the February issue of McKinney magazine will be coming out this week.

City of McKinney - Interim City Manager Tom Muehlenbeck reported City staff presented to City Council a ten year capital improvement program, developed by a City Council working group that included Mayor Loughmiller, Mayor Pro-Tem Ussery and Councilman Pogue. Mr. Muehlenbeck stated staff wanted to make sure the capital improvement plan could be supported by the City's general fund with respect to maintenance and operations costs. Both the proposed capital improvement plan and the general fund proposed budget are now balanced. Mr. Muehlenbeck explained that the program will be funded by \$60.3 million in voter authorized bonds. Voter approval will be sought for an additional \$160.2 million in bond proceeds. A bond election would be proposed for either May or November of 2015. Mr. Muehlenbeck noted \$100 million will be used for new roads and bridges, mostly in the northwest corridor, and \$50 million for the airport. Mr. Muehlenbeck stated the City will be asking the MCDC Board to approve \$5.5 million per year in funding for parks projects over the next ten years with a total commitment of \$55 million dollars to the City of McKinney parks program. Mr. Rhoades stated City staff will be requesting authorization from City Council to issue approximately \$52 million dollars in current voter authorized debt in late spring. Mr. Rhoades pointed out there is an

additional \$160 million included in the proposed plan within the City's current bonding capacity but it will require voter approval. Mr. Rhoades stated he is anticipating a November bond election. Mr. Rhoades commented there are approximately \$230 million dollars for projects included in the plan that are not able to be funded at this time, but want to keep on them on the radar. Mr. Muehlenbeck commented that with this plan the tax rate will stay the same. Chairman Elliott thanked Mr. Muehlenbeck and Mr. Rhoades for the explanation. Chair Elliott pointed out to the Board the CIP plan has a huge commitment from MCDC, and a huge corresponding necessity to move parks improvements that have been on hold forward. Vice Chair Kuehn asked Mr. Muehlenbeck if the CIP plan had been adopted, and if the commitment from MCDC on the parks projects was up for discussion or had it already been set in stone as part of the plan. Mr. Muehlenbeck stated the plan will be presented to City Council at the February 3, 2015 meeting and anticipates it will be adopted. Chair Elliott stated the commitment will be reviewed and discussed in development of annual MCDC budget proposals. Ms. Schneible reminded the Board there is still \$1.6 million in the discretionary allocation based on current budget projections.

Main Street & MPAC – Main Street and MPAC Program Director Amy Rosenthal reported that January 17, 2015 MPAC held their annual bridal show and had over 600 guests. Ms. Rosenthal pointed out to the Board the new billboard on Highway 75 directing people down Highway 5 to downtown McKinney. MPAC will host The Wellington International Ukulele Orchestra on January 24, 2015. Main Street will host the 13th annual Krewe of Barkus Dog Parade - All Things French – on February 15, 2015.

McKinney Convention & Visitors Bureau (MCVB) – Vanessa Baggett, MCVB Tourism Services/Sales Representative reported MCVB processed over 1600 leads the month of December from people

responding to MCVB's ads in various magazines. The top five states that requested information were Texas, Oklahoma, Louisiana, New Mexico, and Mississippi. The top cities requesting information were Houston, Austin, San Antonio, Dallas, and Sugarland. Ms. Guerra, MCVB Executive Director was very busy the month of December attending different trade shows and conferences. Ms. Baggett noted that she and Ms. Guerra met with the catering manager of the new Sheraton Hotel and Conference Center, and Coach Pratt from MISD who is planning on bringing a 2015 UIL tournament to McKinney.

McKinney Economic Development Corporation (MEDC) – Cayti Stein, Director of Marketing commented on the opening of the Sheraton Hotel and Convention Center and the value it will bring, from an economic development perspective, as a result of the conventions and room nights that will be booked. Ms. Stein reported MEDC brought over 1500 new jobs to McKinney last year in MEDC projects, approximately \$100 million in capital investments, and \$100 million in new payroll. Mr. Wehmeier and Mr. Muehlenbeck are working on a Memorandum Of Understanding with Lincoln Properties for the development of the Gateway property north of the Sheraton Hotel. Ms. Stein noted the second aerial video that MEDC produced has been finalized and she would forward a link for the video to the MCDC Board.

Parks, Recreation and Open Space – Director of Parks, Recreation and Open Space Rhoda Savage stated there have been many changes going on in the Parks department. Road way alignments have been marked at Bonnie Wenk Park Phase II, and construction documents are anticipated in the next month. Work on the Finch Park Pavilion replacement has been moved up on the construction schedule and will be completed sooner than anticipated. Some funding for trail construction has been authorized and Parks is looking at a partnership with Craig Ranch to develop a trail connector at Rowlett Creek Trail over to the City of Allen.

Ms. Jackson, Facilities Construction Manager gave an update on the Aquatics and Fitness Center.

Board member Doak stepped down for the following discussion item.

- 15-081** Consider/Discuss/Act on a Request from Heritage Guild of Collin County for an Extension on the Term of the Loan Agreement Executed Between McKinney Community Development Corporation and Heritage Guild of Collin County for Project #13-11, for Renovation, Restoration, and Improvements to Property in Chestnut Square to June 30, 2015. Chairman of the Heritage Guild of Collin County, Wayne Hill gave an update on the renovation, restoration, and improvements to the properties in Chestnut Square. Board members unanimously approved the motion by Vice Chair Kuehn, seconded by Board member Gamble, to table the request until the February board meeting.

Board member Doak returned to the meeting.

- 15-083** Consider/Discuss/Act on the Termination of MCDC funding for the following Parks, Recreation and Open Space Projects: PK5085 Bonnie Wenk Park; PK3222 Bonnie Wenk Park (Phase II); PK1211 Finch Park Phase IV; PK2206 Gray Branch Community Park; PK3224 Frisco ISD School Park; PK2262 Land Acquisition; PK4424 Recreation and Open Space Master Plan; PK4425 Parks Accessibility; PK4426 Comegy's Creek Trail for the Purpose of Allocating \$8,500,000 to the Design, Construction and Equipment for a Community Aquatics and Fitness Center (Project #14-09 /PK7102). Ms. Schneible explained to the Board that in preparing for the sale of the bonds to finance a portion of the cost on the Aquatics and Fitness Center bond counsel advised that taxable debt be sold because of the type of activities expected to be scheduled in the facility and the likelihood there would be agreements executed for lease of space in the Aquatics Center. As a result, the voter approved tax-exempt bonds that were sold by the City for parks development projects are best used for Parks projects other than the Aquatics and

Fitness Center. Finance staff have proposed substituting bond funding, in the amount of \$8.5 million, for \$8.5 million in MCDC approved funding for nine Parks projects. Chair Elliott explained that no increase in funding is being requested of the MCDC. If the item is approved, MCDC will redirect \$8.5 million of the MCDC approved funds for the projects to the cost of the Aquatics and Fitness Center. In turn, \$8.5 million of the proceeds from the tax-exempt bonds sold to fund park development projects will be redirected from the Aquatics and Fitness Center to the nine Parks projects. Chief Financial Officer Rhoades thanked the Board for their action in this matter. If approved, all funding for the construction of the Aquatics and Fitness Center, except for a small percentage which will come from Parkland Dedication Funds, will be from MCDC. The construction contract that was executed will be amended to include MCDC. At completion of the project, MCDC will transfer ownership of the facility to the City. Board members unanimously approved the motion by Vice Chair Kuehn, seconded by Board member Doak, to approve Termination of MCDC funding for the following Parks, Recreation and Open Space Projects: PK5085 Bonnie Wenk Park; PK3222 Bonnie Wenk Park (Phase II); PK1211 Finch Park Phase IV; PK2206 Gray Branch Community Park; PK3224 Frisco ISD School Park; PK2262 Land Acquisition; PK4424 Recreation and Open Space Master Plan; PK4425 Parks Accessibility; PK4426 Comegy's Creek Trail for the Purpose of Allocating \$8,500,000 to the Design, Construction and Equipment for a Community Aquatics and Fitness Center (Project #14-09 /PK7102).

- 15-084** Conduct a Public Hearing and Consider/Discuss/Act on Amending Project #14-09/PK7102 to Increase the Funding to an Amount Not to Exceed \$34,500,000 for Design, Construction and Equipment for a Community Aquatics and Fitness Center. Ms. Schneible opened the public hearing by giving back ground on the joint meeting with City Council and MCDC Board members in December 2014. The Board and

City Council discussed the design and cost of the Aquatics and Fitness Center, and the budget for the project that was established at \$33 million. The design development estimate, followed by significant value management efforts, placed current project costs at just under \$34.5 million. Although the project could be delivered within original budget estimates, it would require altering or eliminating some facility components important to the community such as the number of lanes in the competitive pool; diving boards and area and other items. Factors that contribute to the projected increase in cost are higher than anticipated construction costs, additional work required on the facility site and project costs incurred prior to 2013. Ms. Schneible noted that through discussion with City Council, consensus was reached to fund an additional \$1.5 million, if MCDC had the capacity to contribute additional dollars. This would allow the project to move forward with amenities originally in the plan and to invest in operating equipment and systems that would require a larger front-end investment but would lower operating costs and conserve resources in the long run and fund escalated construction and site expense. Ms. Schneible indicated MCDC was in a position to contribute additional funds to the project. If the board approves, funding would include \$24 million from the debt issuance, the \$8.5 million redirected from park projects to the Aquatic Center and additional cash from current budgeted revenue or fund balance. Chair Elliott stated the MCDC Finance Committee agreed with the City's Finance department to hold the debt issuance at \$24 million to keep MCDC's debt service below 20% of MCDC's annual revenue. Chair Elliott asked for any public comments. There were none. Board members unanimously approved the motion by Vice Chair Kuehn, seconded by Board member Gamble, to close the public hearing and to approve Amending Project #14-09/PK7102 to Increase the Funding to an Amount Not to Exceed \$34,500,000 for Design, Construction and

Equipment for a Community Aquatics and Fitness Center.

Chairman Elliott recessed the meeting at 9:45 a.m. Chairman Elliott reconvened the meeting at 9:50 a.m.

15-064 Consider/Discuss Promotional and Community Events Grant Application from Strikes Against Cancer in the Amount of \$15,000 (PC #15-01) to Promote the 5th Anniversary Strikes Against Cancer Baseball Tournament in McKinney. Vice President Brad Davis provided a PowerPoint presentation about the plans for the Strikes Against Cancer Baseball Tournament that will be held on May 1-3 2015. Historically, the event attracts teams from Amarillo, Oklahoma, Houston, San Antonio, and outlying areas near McKinney. Mr. Davis made a request of \$15,000 to extend and enhance promotion and advertising for the event which would include ESPN Radio.

15-065 Consider/Discuss Promotional and Community Events Grant Application from Heard Natural Science Museum and Wildlife Sanctuary in the Amount of \$5,000 (PC #15-02) to Promote the Texas Heritage Festival in McKinney. Stephanie Jennings, Marketing Director of the Heard Museum gave the presentation which included a history of the Heard Museum, and plans for the Texas Heritage Festival that will be held on May 23, 2015. Ms. Jennings made a request of \$5,000 to be used for promoting the Texas Heritage Festival through media outreach and promotional advertisements in Texas Monthly, Dallas Child, and McKinney Magazine and public service announcements on NBC. Ms. Jennings stated through these promotions the event hopes to attract visitors from across the state interested in learning more about the history of McKinney. Ms. Jennings commented that McKinney residents will have free admission to the event.

15-066 Consider/Discuss Promotional and Community Events Grant Application from Crape Myrtle Trails of McKinney Foundation in the Amount of

\$8,000 (PC #15-03) to Promote the Crape Myrtle Trails of McKinney Fun Run and Festival in McKinney. President Phil Wheat provided a PowerPoint presentation about the McKinney Fun Run and Festival that will be held on September 25, 2015. Mr. Wheat requested \$8,000 to be used to increase radio promotion and advertising to attract participants from outside of McKinney for the event.

15-067 Consider/Discuss Promotional and Community Events Grant Application from North Collin County Habitat for Humanity in the Amount of \$2,625 (PC #15-04) to Promote the North Collin County Habitat for Humanity's Spring Bling Event in McKinney. Elizabeth Johnson, Marketing Coordinator for NCC Habitat for Humanity provided a PowerPoint presentation about Habitat's Spring Bling event that will be held on April 18, 2015. Ms. Johnson made a request on behalf of Habitat for \$2,625 to be used to promote the Spring Bling event in Frisco and outlying communities around McKinney.

15-068 Consider/Discuss Promotional and Community Events Grant Application from Smiles Charity in the Amount of \$15,000 (PC #15-05) to Promote the Smiles Charity Concert and Family Festival in McKinney. Ashley McCain from Smiles Charity provided a PowerPoint presentation. The Concert and Family Festival is a free event held at Adriatica in McKinney. Ms. McCain made a request on behalf of Smiles Charity Concert and Family Festival of \$15,000 to be used for continued media outreach to outlets such as NBC and Fox News to promote local businesses and draw not only McKinney residents but visitors from surrounding cities as well to the event.

15-069 Consider/Discuss Promotional and Community Events Grant Application from McKinney FFA Parents Organization in the Amount of \$14,158 (PC #15-06) to Promote Three Sanctioned Junior Livestock Shows at Myers Park Event Center, McKinney Texas in 2015. In her presentation, McKinney FFA Parents Organization President Sarah Francis noted that

students come from Houston, El Paso, Oklahoma and other cities outside of McKinney, as well as McKinney to participate in the Livestock Shows. Ms. Francis made a request of \$14,158 to purchase additional prize buckles, and to advertise in a national magazine.

- 15-070** Consider/Discuss Promotional and Community Events Grant Application from Heritage Guild of Collin County in the amount of \$15,000 (PC #15-07) to Promote Weekly Farmers Market Events, Living History Weekends, Old Fashioned Ice Cream Crank-Off, and Holiday Tour of Homes in McKinney. Chestnut Square curator Leisha Phipps gave the presentation on the history of the Heritage Guild events. Ms. Phipps stated visitors from as far as California, Arkansas, and other states attend these events. Ms. Phipps requested \$15,000 on behalf of the Heritage Guild of Collin County to be used to promote the various activities that are held at Chestnut Square through distribution of flyers and advertising in various magazines.

Vice Chair Kuehn stepped down for discussion on the following agenda item.

- 15-071** Consider/Discuss Promotional and Community Events Grant Application from Kiwanis Club of McKinney in the Amount of \$8,000 (PC #15-08) to Promote the Historic McKinney Kiwanis Triathlon in McKinney. Dennis Williams, Leadership Staff from Kiwanis gave the presentation. The Kiwanis Club Triathlon is an annual fundraiser that will be held on May 22, 2015. Mr. Williams commented the Triathlon attracts athletes from Dallas, Richardson, Plano, and other surrounding DFW communities. Mr. Williams requested \$8,000 on behalf of the Kiwanis to promote the Triathlon through increased radio advertising.

Vice Chair Kuehn returned to the meeting.

- 15-072** Consider/Discuss Promotional and Community Events Grant Application from McKinney Main Street in the Amount of \$15,000 (PC #15-09) to Promote Bike the Bricks 2015 in Historic Downtown McKinney. Main

Street & MPAC Director Amy Rosenthal provided a PowerPoint presentation about Bike the Bricks which is the largest criterium race in Texas with over 500 bicyclists from across the country and the world attending. The event will be held in downtown McKinney on May 22, 2015. Ms. Rosenthal noted this year a live concert is being added to the event, also wireless cameras throughout the race, and live TV coverage on the square to advertise sponsors and broadcast the race live. Ms. Rosenthal is requesting \$15,000 on behalf of McKinney Main Street, to be used to promote the event with commercials, digital billboards, and print advertising.

15-073 Consider/Discuss Promotional and Community Events Grant Application from American Cancer Society/Relay for Life of McKinney in the Amount of \$10,085 (PC #15-10) to Promote the 2015 McKinney Relay for Life at Ball Fields at Craig Ranch. Misha Chapman, Staff Partner on the Relay for Life Planning Committee gave the presentation. Ms. Chapman provided the history of the Relay for Life Event. Ms. Chapman stated that Relay for Live holds over 6000 events worldwide, 2500 in the United States and that McKinney's Relay for Life event is ranked in the top 25 in the US, and number 3 in Texas. Ms. Chapman noted the event will take place April 25, 2015 at the Ball Fields at Craig Ranch. Participants come from Prosper, Allen, and as far away as Arkansas. Ms. Chapman made a request on behalf of the American Cancer Society/Relay for Life for \$10,085 to be used to purchase promotional items such as t-shirts to be distributed to event participants, and to expand media outreach coverage.

15-074 Consider/Discuss Promotional and Community Events Grant Application from Hope Rising in the Amount of \$6,000 (PC #15-11) to Promote "Girls with Guitars" Concert at McKinney Performing Arts Center. Lisa Miller, President of Hope Rising presented a PowerPoint presentation. The mission of Hope Rising is to raise awareness about sexual assault and

domestic violence. "Girls with Guitars" will be held at MPAC on April 17, 2015. Ms. Miller made a request on behalf of Hope Rising in the amount of \$6,000 to promote the "Girls with Guitars" event to be held to raise money for Turning Point Crisis Center.

Chairman Elliott thanked the presenters.

15-075 Consider/Discuss Letter of Inquiry Submitted by McKinney Youth Theatre, to Secure Board Input on a Potential Project Grant Application Requesting \$100,000 from McKinney Community Development Corporation for Construction of Performance and Rehearsal Space for McKinney Youth Theatre. Sarah Akers, Founding Director of the McKinney Youth Theatre spoke on behalf of the organization. Ms. Akers stated the Theatre is in search of a permanent home and plans to seek financial assistance, through a project grant, from the MCDC to construct rehearsal and performance space within a building, on a location yet to be determined in McKinney. There was no board comment.

15-079 Marketing Director's Report. Ms. Stein reminded the Board about the My McKinney campaign. A meeting with Mike Mayberry, from Kharmik Advertising, is planned for the week of January 26th to discuss next steps. The Tupps Brewery ribbon cutting will be held this evening, January 22, 2015 at 4:30. There is also a District 4 Town Hall being held this evening, and the Chamber of Commerce Community Awards Celebration on Friday, January 30, 2015 where the Quality of Life award will be presented by Chairman Elliott.

15-080 Executive Director's Report. President Cindy Schneible pointed out the monthly status report on the Sheraton along with aerial photos in the Board binder. Ms. Schneible also stated in the binder was a prospective project list, and a summary of MCDC grants already awarded. Ms. Schneible commented she had a conversation with management at PSA to get an update on the facility and how it was performing. PSA is having incredible success with 90% utilization during the week days for

practices, and 86% utilization on the weekends. Ms. Schneible stated PSA management commented usually a new facility is only utilized 50%-55% at the beginning of operations. Parking has been a challenge, but PSA staff has been in touch with City staff to explore how to address the problem. Ms. Schneible reminded the Board of the special meeting to vote on the issuance of bonds to finance the Aquatics and Fitness Center on February 3, 2015 at 4:30 at City Hall in the second floor conference room. Immediately after the special meeting City Council will vote on the approval of the bond sale, and the amended project as approved by MCDC at their regularly scheduled meeting that will begin at 6:00 p.m. that evening.

Chairman Elliott called for a three minute recess at 9:45 a.m. Chairman Elliott reconvened the meeting at 9:50 a.m.

15-082 Consider/Discuss/Act on Quality of Life Nominations: Celeste Cox; Community Lifeline; Cusack Family Swim School; Hands 'n Hammers; McKinney Public Safety Children's Scholarship Foundation; McKinney Youth Theatre; New Horizons Center for Healing; PSA; Volunteer McKinney. Board members discussed the option of having two Quality of Life awards, as was done last year. The Board decided to select a single award recipient for 2015. The Board members discussed each nominee, and cast written ballots. As a result of the vote, Board members unanimously approved the motion by Board member Myers, seconded by Board member Clarke, to present the 2015 Quality of Life award to Community Lifeline.

Vice Chair Kuehn and other board members shared their thoughts regarding the MCDC strategic planning process and timing for 2015.

Board members unanimously approved the motion by Board member Doak, seconded by Board member Glew, to adjourn. Chairman Elliott adjourned the meeting at 10:33 a.m.

SCOTT ELLIOTT
Chairman

ATTEST:

Colleen Smith
Secretary/Treasurer